



NEWS

News media Information 202 / 418-0500

Fax-On-Demand 202 / 418-2830

Internet: <http://www.fcc.gov>

<ftp.fcc.gov>

Federal Communications Commission

1919 - M Street, N.W.

Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order

constitutes official action. See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE

April 15, 1999

NEWS MEDIA CONTACT:

Emily Hoffnar 202/418-0253

Report No. CC 99-12

COMMON CARRIER ACTION

FCC Adopts Truth-in-Billing Principles and Guidelines To Help Consumers Understand Their Phone Bills and to Deter Slamming and Cramming

The Federal Communications Commission today adopted principles and guidelines that will make it easier for all consumers to read and understand their telephone bills. In 1998 alone, more than 60,000 consumers contacted the Commission expressing confusion, anxiety and concern about their telephone bills. The "truth-in-billing" principles and guidelines set forth in the Order make telephone bills more consumer-friendly by providing consumers with information they need to make informed choices in a competitive telecommunications marketplace and to protect themselves against unscrupulous practices.

The Commission enacted broad guidelines that implement three basic principles -- consumers should know: (1) who is asking them to pay for service, (2) what services they are being asked to pay for, and (3) where they can call to get more information about the charges appearing on their bill. For example, under the guidelines adopted today, new service providers must be highlighted on the bill. Thus, as a result of the Commission's action, consumers will be better able to detect when their carrier of choice has been changed without their authorization. This illegal practice, known as slamming, is the number one complaint of consumers filed at the Commission. Today's actions make it more difficult for the purveyors of fraud to deceive customers and get away with it by taking advantage of confusing telephone bills.

The Commission's guidelines also combat the illegal practice known as cramming, the appearance of unwanted charges on customers' bills. Cramming has emerged as an equally troubling fraud against consumers, and is now the second largest category of written complaints received by the Commission. Vague or inaccurate descriptions of charges make it difficult for consumers to know exactly what they are paying for and whether they received the services that they ordered. Thus, the Commission's guidelines eliminate this confusion by requiring that bills contain full and non-misleading descriptions and a clear identification of the service provider responsible



NEWS

News media Information 202 / 418-0500

Fax-On-Demand 202 / 418-2830

Internet: <http://www.fcc.gov>

<ftp.fcc.gov>

Federal Communications Commission

1919 - M Street, N.W.

Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Circ 1974).

for each charge on their bill.

The Commission's guidelines will also reduce customer confusion about the nature of the services being billed. The guidelines require that carriers clarify when they may withhold payment for service, for example, to dispute a charge, without risking the loss of their basic local service. Consumers will not, out of confusion, pay charges that they do not understand for fear that their basic telephone service would be terminated if they challenged the charge.

Finally, the Commission's actions today will permit customers to understand and compare the charges appearing on their bills that are related to federal regulatory action. The Commission has received thousands of calls from consumers confused about these charges, which is exacerbated by the myriad of names carriers have used to describe the various charges. The guidelines adopted today address this problem directly by requiring that carriers which choose to place line items on bills use standard labels to identify these charges. The Commission seeks further comment, particularly from consumer groups and the industry, as to the specific appropriate labels.

The Commission also states that the broad principles that underlie the rules we adopt to promote truth-in-billing apply to all telecommunications carriers, both wireline and wireless. Like wireline carriers, wireless carriers also should be fair, clear and truthful in their billing practices. The record does not, however, reflect the same high volume of customer complaints in the wireless context, nor does the record indicate that wireless billing practices fail to provide consumers with the clear and non-misleading information they need to make informed choices. Thus, at this time, the Commission only imposes certain requirements on wireless carriers: that the name of the service provider and a contact number be included on the bill, and uniform labeling of federal charges (if and when such requirements are adopted.)

In the further notice, the Commission seeks comment on whether it should apply the remaining truth-in-billing rules adopted in the wireline context to wireless carriers, and whether forbearing from these rules would be appropriate.

Action by the Commission April 15, 1999, by First Report and Order and Further Notice of Proposed Rulemaking (FCC 99-72). Chairman Kennard, Commissioners

Ness, Powell and Tristani, with Commissioner Furchtgott-Roth dissenting and Commissioners Ness, Furchtgott-Roth and Powell issuing separate statements.

- FCC -

Common Carrier Bureau contact: David Konuch at (202) 418-0700